

*Oral Questions***FINANCE****EFFECT OF LIQUOR TAX**

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of Finance. The Minister will know from his travels that the price of liquor in the United States, even before he increased his tax by 13.3 per cent, was about half what it is in Canada. This has caused a lot of damage. Will the Minister tell us if he has conducted any studies as to the cost to his treasury caused by the fact that a great deal of liquor is purchased in the United States and brought into Canada either legally or illegally? What is the cost? Has he had any studies?

• (1510)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am happy to see that my colleague travelled in the United States this summer. I stayed in Canada.

Mr. Blenkarn: You know, Madam Speaker, if the Minister had any responsibility for job creation, he would know that jobs could be created in the—

Madam Speaker: Order. Order, please. I must remind the Hon. Member that he is not to comment on the answer of a minister. He must move to a supplementary question, if he has one.

IMPACT ON GOVERNMENT REVENUE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I would like to know if the Minister has any study to indicate how the revenue was damaged in totality by the increase in tax, either the excise tax or the loss in revenue from personal income taxes of people employed in the hospitality industry, or corporate taxes from businesses in that industry?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have two comments. First of all I would like to say it is rather ridiculous to ask if there exists a study on a tax increase which took place on September 1, and what the impacts were. Even the Hon. Member should realize that his question is preposterous.

As far as the other question is concerned, the Hon. Member knows how much money is raised by governments provincially and federally. I would like to remind my hon. friend that the largest share of revenues coming from taxation of liquor is taken by the provinces, not by the federal Government. Over the last ten years the share of taxation taken by the federal Government on cigarettes and on liquor has gone down, and has essentially been taken over by the provinces.

As far as the impact of such tax increases on consumption is concerned, it is very hard to assess because there are many factors intervening. Price is one, but also changes in consumer behaviour, switches to other forms of liquor consumption and, as far as cigarette consumption is concerned, as the Hon. Member knows, a number of Canadian have, thank God,

abandoned smoking, and I would be very happy if there were fewer and fewer Canadians abusing both cigarettes and liquor.

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THE ADMINISTRATION**APPOINTMENT AND RESIGNATION OF MINISTER OF STATE (MINES)**

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is addressed to the Prime Minister. Given the fact that there is a long parliamentary tradition requiring the Prime Minister to ensure there is nothing prohibitory in the background of any Member of Parliament or person whom he asks to become a member of his Cabinet, would the Prime Minister tell us whether, during the course of his announcement this summer, he inquired of the Hon. Member for Burin-St. George's as to any reasons why he should not be a member of the Cabinet and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, when I propose appointing someone to the Cabinet, I do meet with that person and we have a conversation on various subjects, during which I assess my view of his or her ability to discharge the functions which I plan to impose on him or her. I had that conversation with the Hon. Member.

ACCEPTANCE OF RESIGNATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Minister of State for Fitness and Amateur Sport is reported in the press to have indicated that she only knew, about an hour or an hour and a half before she was sworn in, the fact that she was to become a member of the Cabinet. I ask the Prime Minister, in view of the fact that this is an unprecedented short term of office for any Minister of the Crown, whether he does not feel there is a responsibility upon him to give us some reason why the resignation was accepted? And when is he going to appoint a replacement for the very important responsibility relating to mines?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the remarks attributed to the Minister of State for Fitness and Amateur Sport, they do indicate that until the shuffle of Cabinet is complete I am still in the process of choosing between different people. We on this side have the advantage of having so many qualified members to become Ministers that—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, it is true that some of the decisions are made within days and some are made within hours of their effective appointments. Insofar as the particular Member is concerned, I understand he has the agreement of the House to rise on a question of privilege at 3.15 p.m., and the Hon. Member may receive some answers at that point.